



Quality is Our Bottom Line

Labor and Public Employees Committee

Public Hearing

Tuesday, March 11, 2014

Connecticut Association of Health Plans

Testimony in Opposition to

HB 5451 An Act Concerning Health Care Pooling

The Connecticut Association of Health Plans strongly opposes passage of HB 5451.

Connecticut is host to a very competitive health insurance market. Five major carriers, including Anthem, Aetna, Cigna, ConnectiCare and United all have robust membership here and a significant presence. In addition, Wellcare, Harvard Pilgrim, and the Connecticut Medical Society's Healthy Connections Co-Op also operate in the local space.

Municipalities are sophisticated purchasers of health care and have the means, resources and ability to compare and contrast their choices in the marketplace including those offered through the State Comptroller's office. As such, the Association questions the necessity of creating huge new costly administrative burdens for both municipalities and health insurance carriers as envisioned under HB 5451 particularly when past bills of a similar nature, and one currently under consideration in the Insurance Committee, have raised serious questions as to the confidentiality of the data in question. With some of the sample sizes envisioned under the bill, it will be easy enough to identify the high cost utilizers who may be driving a particular group's experience and thus their premium increases even though the information provided is de-identified. One has to look no further than the recent press accounts related to AOL and the million dollar babies to understand the consequences.

Furthermore, the Association questions the need for the "convener status" conveyed upon the Comptroller's office under the bill. Implementation of the Affordable Care Act (ACA) is well underway in Connecticut. Exchange staff has embarked on an aggressive, ambitious, and challenging implementation schedule that has cast Connecticut into the forefront as a national leader in the development of a new and innovative marketplace. In fact, just recently CT surpassed a self-imposed goal of enrolling 100,000 residents before the end of March. About 50,665 individuals are enrolled in Exchange Plans, with 71,318 joining into Medicaid.

Connecticut's health insurance carriers have been pleased to be at the table with policy makers, exchange staff, providers, advocates, consumers and other stakeholders as we all struggle to make the Exchange a viable and successful venture that fulfills the vision of health care reform. While we may agree to disagree on various design and/or technical aspects moving forward, we share the state's commitment to the ideals behind the ACA.

Similarly, the Association's members have been active participants in the proposed SIM (Statewide Innovation Model) initiative with the Administration, the Comptroller's office and a broad range of other stakeholders. SIM is a laudable proposal which seeks to align all payers (Medicaid, the state employee plan, commercial plans, self-funded plans and Medicare) around a common approach to value-based payment. "Rather than simply paying for the volume of services provided, the proposed value-based approach will reward providers who offer higher quality care, while lowering the total cost of care," as articulated in the Governor's budget.

Connecticut's commercial carriers have been generally supportive of the SIM initiative to date and welcome a continued dialogue with the Administration and its partners, but conflicting proposals such as HB 5451 bring into question where industry resources should be focused and to what end adding complexity and confusion to one of most intense periods in health care policy history.

With respect to the legal implications around the cooperative agreements mentioned in the bill, we would draw the Committee's attention to the Association's testimony on HB 5345 AAC Cooperative Health Care Agreements and the recent correspondence from the Federal Trade Commission in addition to our own Attorney General.

Connecticut carriers need a degree of certainty in order to best operationalize the goals of health care reform. Now that the Exchange is up and running, our focus should be on addressing the challenges before us and fine-tuning the overall process. Shifting sands complicate these efforts and compromise the ability of the health plans to make long term investments. In addition, ongoing systematic changes make other carriers wary of joining in the future. This should be a time to let the dust settle.

Exchange staff, the carriers, the providers and other stakeholders and policy makers, are all anxiously waiting to see what the first year of full operation will bring. In order to be successful and implement the changes that are deemed necessary quickly and efficiently, the state should stay the course in terms of its current approach and not embark on other major undertakings outside the scope of what's currently contemplated.

We urge your rejection of HB 5451.